How the Health Care FSA Works

- You can contribute up to $2,750 for 2021

Contributions are made through pre-tax payroll deductions.

- You don't pay federal, state (in most cases), local, or Social Security taxes on amounts you set aside on a pre-tax basis. As a result, your take-home pay may be higher than if you pay for eligible expenses with after-tax money.

- IRS rules allow you to carry over up to $550 of unused Health Care FSA funds into the next plan year. The carryover is automatic. There is nothing you need to do to receive it. The carryover amount will be added to any FSA contributions you choose to make for the year. You can still contribute up to $2,750 in 2021, even if you have a carryover.

- IRS rules:
  - You can use your Health Care FSA only for certain eligible expenses, including amounts you pay out-of-pocket for eligible medical, prescription drug, dental, and vision care expenses (see IRS Publication 502).
  - You can use your FSA contributions to reimburse eligible expenses you incur as a plan participant during the plan year in which you are enrolled.
  - By law, except for the $550 carryover mentioned above, you lose any unclaimed money left in your account at the end of the plan year.
  - Outside of Open Enrollment, you cannot change your contribution amount except within 31 days of a qualifying life event.
  - If you enroll in a High-Deductible Health Plan (such as Caltech's High-Deductible 2800 or 1400 PPO), you cannot contribute to both the Health Savings Account (HSA) and the Health Care FSA.

- The claims deadline is March 31 for services incurred in the prior calendar year.

- HealthEquity is the administrator for our Health Care FSA.